

APPROVED BOARD MEETING DATE: June 5, 2009
AGENDA NO. 30

**PROPOSED
SOUTH COAST AQMD
STATEMENT OF PRINCIPLES
Regarding**

Enhanced Vapor Recovery (EVR) Requirements of CARB

(As proposed to the South Coast AQMD Legislative Committee, May 2009)

The following are general principles to guide staff in their discussions on policy positions regarding state legislation or related matter affecting CARB's Enhanced Vapor Recovery requirements within the jurisdiction of South Coast AQMD.

I. Enforcement of CARB's EVR Requirements is Essential to Protect Public Health

Phase II EVR regulations to reduce emissions of smog forming and toxic compounds were initially adopted in 2000, and are expected to reduce over 8,000 pounds of emissions per day, based on the most recent estimates. It is also important to implement an enforcement policy for all gas stations subject to this requirement, to ensure that dispensing equipment is properly maintained to minimize emissions and protect public health. Past studies have shown significant non-compliance among gas stations, which underscores the need for effective enforcement.

II. Penalties for Non-Compliance should Promote Compliance, should help maintain a 'Level Playing Field', and should not be Unreasonable, Unfair, or Punitive.

Since more than three-quarter of gas stations within SCAQMD have achieved full compliance with the requirements of Phase II EVR or are exempt, and 92% of all facilities are now in compliance or have received their permits to construct and are in the process of installing their Phase II EVR equipment, it is important NOT to economically disadvantage the owners or operators who have complied with these requirements. Furthermore, penalties can be adjusted based on unique circumstances faced by the owner or operator, and can be further capped at an appropriate level set by SCAQMD, with consideration of guidance, if any, from CARB, the Legislature, and Governor.

III. Penalty Funds Should be Spent on Projects that Benefit the Environment or the Community.

Funds collected from these penalties should be targeted and re-invested in projects to help improve air quality, as approved by the SCAQMD Governing Board at a duly noticed public meeting, with opportunity for public input. Revenues from these penalties should be utilized primarily to reduce air pollution and for community awareness or improvement projects, low-emission technology development projects, streamlining efforts, and other air quality related priorities.

IV. Support Local Control of Stationary Source Requirements to Protect Public Health and Safety, and Oppose any Unnecessary Attempts to Eliminate, Restrict, or Abrogate SCAQMD's Current Enforcement Authority for Implementation of Federal, State, or Local Air Quality Requirements for Stationary Sources.

Decisions on case specific implementation of stationary source rules and regulations should be left to state and local air quality agencies, in order to ensure consistency with the respective portions of the State Implementation Plan. Local enforcement discretion, or rule amendment, is preferred to statutory changes to avoid unintended consequences and allow for more robust public process.